

COUNTY ROAD ADVISORY COMMITTEE (C.R.A.C)

DATE: February 02, 1998

PLACE: TILLAMOOK COUNTY ROAD DEPARTMENT LUNCH ROOM

MEMBERS PRESENT: Jack Brooks, Mary Cramer, Robert Rieke, Ray Hanson, William Howard, Norm Myers, Diane Waldron, Leslie Burckard, Bob Reed

MEMBERS ABSENT: Rich Gitschlag, Ray Streeter, Curt Schonbrod

STAFF: Jon Oshel - Director of Public Works, Bob Willhite - Operations Superintendent, Dave Krebs - Services & Communications, Pat Oakes - Engineering Associate, Gayle McMullen - Education/Public Relations Task Force, George Urrey - Union Shop Steward, Jeanette Steinbach - Recording Secretary

CALL TO ORDER: Meeting called to order at 3:05PM

1. *Discussion of tasks to be accomplished:* Jon stated that traditionally the task of the CRAC was to verify projects planned for the summer. The Task Force was set up to deal with the shortfall in the budget. After it's recommendation to the BOC, the BOC recommended expanding the CRAC to include the Task Force to come up with a Budget dealing with the shortfalls and policies and long term budget with policies. Then approach the Board with the budget and policy changes, and if general fund support is available show different levels at \$100,000, \$200,000 to \$500,000 and what it will buy. This will help the BOC come up with a decision when allocation of funds are done. This group is very diverse so we can look forward to a productive committee. Mary Cramer stated that she would like to see a priority of tasks before getting into the budget. Bob Reed added that this committee should assist in the prioritization of tasks and see it all the way through. Jon added that prioritization consists of development of priority systems for guardrails, bridge repairs, roadway widening, pavement rehabilitation, safety improvement projects. Norm suggested perhaps having subcommittees that will bring suggestions to the whole group.

Jack Brooks thanked everyone who showed up to the presentation to the BOC. He also felt that the BOC did not take the Task Force recommendations seriously. The other members disagreed they felt that the BOC listened, and the BOC wanted more education before introducing any tax to the public. They wanted a list of prioritizations. Jon added that what he gathered from that presentation was that the BOC were questioning if any additional funds were available from the general fund and were concerned about false expectations.

2. *Organizational items* Leslie Burckard motioned that Jack Brooks remain the Chair, Ray Hanson seconded. Unanimously approved. Ray Hanson motioned that Mary Cramer be the Vice Chair, Bill Howard seconded. Unanimously approved.

Introductions were made. Members agreed to hold meetings on Monday's @ Tillamook County Lunch Room from 3pm to 5pm.

3. *Review of early draft budget for 1998-1999 fiscal year*

Jon Oshel went through the Budget reports handed out: preliminary Draft Unbalanced budget based on existing level of service and Preliminary Draft eliminating paving season, selling Asphalt Plant & Crusher, other cuts to balance, no contingency. Jon stated that these are PRELIMINARY BUDGETS and should not be quoted. He added that he cut big budget items first but small items could be cut if the CRAC recommends them. This is a PRELIMINARY discussion showing what it will take to balance the budget. Jon asked for recommendations. Mary wanted to know if they were any Policys that govern the Road Department. Jon stated that they were no written policies but they are State laws. The State law defines maintenance of Local Access Roads, County Roads. Bob Reed added that they are regulations that derive decisions as to where guardrails are placed, mowing is done. Jon concurred. Jack Brooks asked what would happen the next budget year? Jon replied that can assume next year the road department will have additional revenue or if not, we must find a way to balance the budget with \$500,000 less.

4&5. *Review and recommendations of proposal to cease Asphalt Mix production by County Forces.* Jon handed out the comparison of cost for road rock, paving aggregate and asphalt paving mix between SC Paving/County. Norwood (Public) stated that she gets rock @ \$10.00/yard delivered, she wanted to know why the County couldn't get a better deal since they buy larger volumes. Jon responded by stating that this is the price S-C Paving quoted the road department. S-C Paving is the only one who has an Asphalt plant in Tillamook, but the County can obtain from Seaside or Lincoln City.

Part of the reason driving this decision is that the equipment is old, aggregate pit has limited use, need \$70,000 for generator and additional repair for a plant that has a life of about 2-3 years. Asphalt Plant cost \$237,000 last year to run, and the Crusher cost \$175,000 including labor, equipment, royalties and depreciation. Jack Brooks asked for clarification on the employees working at those plants. Jon added that the road crew will take on the employees. Jack further asked for clarification on restoration of pit cost. Jon stated that one of the advantages of getting out now, is that there is still life

in the pit and Shiloh may not ask us to restore the pit. Jon added that appraisal for the Asphalt equipment came in at \$50,000, received two appraisals for the crusher one at \$165,000 and the other at \$250,000. The age of the equipment makes it more expensive to run the pit. Norwood asked if the Rock Quarry was ever sold. Jon said they had looked at stopping crushing in 1990 but because of lack of competition the Board decided against it, and then again in 1995 but no one responded to advertisements for contractors to crush rock. This is a downside especially in this area. Bob Reed asked if County can continue crushing for 3 more years and then providing that rock to S-C Paving? Jon stated it would be extremely difficult legally and politically to have a joint contractor/county venture. Bob Rieke suggested that maybe if the County gets out of the business perhaps it would break the monopoly. Jon agreed and added that S-C Paving may also get a bigger plant that will make the product cheaper. Jon asked for a recommendation to shut down and sell the Asphalt plant, the crusher and leave the 600 pit. The Asphalt equipment age is 1952 whilst the Crusher, 1978, with the Jaw at 1938. Mary Cramer wanted to know if the decision had to be made today. Jon said not absolutely but it would help prepare the budget. If layoffs are inevitable need to tell the employees by Spring so that they have a better chance of finding employment. Norm Myers agreed that with the age of the equipment, and lack of funds for repairs that this would be the best time to do it. **Norm Myers made a motion to sell the Crusher and Asphalt plant. Leslie seconded.** Jack Brooks asked Jon if the Road Department was prepared to operate the plants this year at all. Jon said with the present budget, no. Mary Cramer added if in 2 years the road department had to open up the Crusher, how much would it cost? Bob Willhite stated that S-C Paving is planning on accommodating the demand but the transition may be shaky. Jon explained that the old Crusher was not portable. A new Crusher could supply rock to all districts which will cost about \$500,000. But this is a separate decision and is not a recommendation at this time. A new crusher would only be recommended if we have monopoly problems. Ray Hanson asked if a Portable Crusher could be bought now on lease purchase with lay offs? Jon responded by saying that the budget does not allow revenue to operate the crusher with a full road crew.

Mary Cramer stated that she thought that the task of the Road Advisory Committee was to come up with a budget and various levels, instead now a recommendation is being made about the sale of the Asphalt and the Crusher? Why without looking at other alternatives? Jon responded that the issue with the Crusher would have come up whether the road department was in a budget crunch or not. Norm stated that he was convinced and recommended closing and selling of the Asphalt and Crusher plant? Mary Cramer asked what other

issues would come up that is urgent without the Committee doing some prioritization. Jon stated that because of the budget process and the timing, he needed to know pretty fast. He added that all further budget processes and levels of recommendations would be coming directly from the CRAC. Jon will present budget at April 9 budget meeting, would like to give it to the Budget Committee at least a week earlier so they have a chance to look at it. Jack Brooks confirmed that this has been an issue for a long time, and finally with the present BOC this matter can be closed. Robert Rieke added that until we can finalize the Asphalt and Crusher plant we cannot move on. Diane Waldron stated that she approves of selling equipment but is strongly opposed to cutting staff as a means to balancing the budget because of overwork and morale problems. **Jack Brooks asked if the motion proposed by Norm Myers and seconded by Leslie Burckard could be carried. Unanimously approved.** Jon will take the recommendation to the BOC by way of surplus equipment request. He confirmed that reclamation costs could be anywhere from \$5,000 to \$50,000.

Mary asked for the established priorities of the Committee and the Road Department regulations. Jon stated that he would try and put it together.

Dora Norwood (Public) asked if Citizen's Concerns could be added to the Agenda? Chair and the Committee agreed.

Next meeting scheduled for Wednesday February 25, 1998 at 03:00pm. Jon will bring another Budget with these changes including Mary's requests.

Photograph taken by Pat Oakes for Road Department's Web Page.

MEETING ADJOURNED AT 5:05PM